

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Drewco Corporation

Wisconsin Manufacturing Extension Partnership

Drewco Alleviates Costs With New Healthcare Program

Client Profile:

Drewco Corporation is a manufacturer of special fixtures for machine tools. The company employs 28 people at its plant in Franksville, Wisconsin.

Situation:

Drewco Corporation's healthcare costs were increasing at a rate of 19 to 28 percent annually. The company asked the Wisconsin Manufacturing Extension Partnership (WMEP), a NIST MEP network affiliate, for help identifying the causes of these increases and assistance in devising a solution.

Solution:

WMEP Alliance Partner Corporate Health Concepts (CHC) helped Drewco analyze the impact of healthcare costs on the company's future bottom line. In this exercise, CHC analyzed what would happen financially, based on healthcare costs alone, if Drewco took no action to change its current healthcare situation.

The results were alarming.

CHC and Drewco worked together to develop a healthcare mission for the company and devised an action plan. The program created for Drewco included an annual health risk assessment, including risk mitigation strategies; biometrics screening for all employees; educational health and wellness presentations to employees and spouses; and an ongoing on-site program of individual counseling and group education that helps employees to make healthy lifestyle changes. Each employee also received an individualized plan of specific actions to optimize his or her health.

Drewco made changes to its insurance coverage based on these assessments. CHC helped the company to evaluate the various insurance options available by surveying Drewco's employees to find out what they desired in an insurance program and comparing those needs to availability and affordability. Drewco chose a traditional insurance plan with an increased deductible, then supported that gap for its employees with a demand management program (to reduce the need for doctor visits) and an alternative insurance option.

Since implementing the program, Drewco has realized significant short-term savings and made progress toward controlling its long-term healthcare costs. The company continues to provide gold-standard care for their employees, but its employees help the process by taking control of their own health and learning how to improve it.

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Results:

Anticipating insurance savings between \$175,000 and \$200,000 over 5 years.
Improved employee health to gain positive financial impacts for the company.
Estimating a 24:1 return-on-investment.

Testimonial:

“[Working with the Wisconsin Manufacturing Extension Partnership and CHC taught us] It’s a dollars and cents thing. In this recessionary period, we’ve cut many items. But we won’t cut this program. It’s definitely a bottom-line experience.”

Ann Pettibone, CEO